

## STATEMENT OF PURPOSE

### RS20601

The intent of this amendment is to create a more certain and predictable process for the leasing of water for hydropower purposes by clarifying the relationship between the private, two-party water leasing provisions of Idaho Code sections 42-108A and 42-108B, and the provisions of the water supply bank and rental pool statutes, Idaho Code sections 42-1761 through 42-1766, to facilitate the rental or leasing of water for hydroelectric generation purposes, which provides low-cost electricity to Idaho. A recent District Court proceeding involving a proposed lease of water for hydroelectric generation purposes raised questions as to the intent, scope, and applicability of these two different sets of statutes, and the relationship between them, with respect to such rentals or leases. The Court suggested that clarifying legislation might be an appropriate means for resolving the uncertainty or ambiguity on these points. Accordingly, this bill proposes amendments to section 42-108B that will authorize the Director of the Department of Water Resources to ensure that proposed rentals or leases of water for hydroelectric generation purposes under section 42-108A and 42-108B will be evaluated by the Director under the same standards and requirements applicable to rentals out of the water supply bank and local rental pools, including but not limited to any applicable local rental pool procedures applicable to the rental of storage water.

### FISCAL NOTE

No fiscal impact to the general fund.

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